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Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 DODE-00 NSAE-00 USIA-06
TRSE-00 ERDA-05 CIAE-00 /032 W
----------022014Z 034613 /43
R 021340Z APR 77
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 5813
AMEMBASSY STOCKHOLM
INFO USDOC WASHDC
AMEMBASSY BRUSSELS

C O N F I D E N T I A L MOSCOW 4446

USDOC FOR BEWT/OEA AND BEWT/TDAD

EXCON

BRUSSELS FOR FAA

E.O. 11652: GDS
TAGS: BEXP, ESTC, UR
SUBJ: STANSAAB REPORTEDLY BOWS OUT OF SOVIET ATC CONTRACT

REF: A) STOCKHOLM 658 ; B) MOSCOW 0996, AND PREVIOUS

1. DAVID SHORTT, BRITISH REP. FOR INTERNATIONAL TECHNICAL PRODUCTS CORPORATION LOCATED IN WASHINGTON, TOLD COMATT HE HAD BEEN INFORMED AT MINISTRY OF CIVIL AVIATION APRIL 1 THAT STANSAAB HAD BEEN RELEASED FROM ITS OBLIGATIONS UNDER ATC CONTRACT (APPARENTLY AT FIRM'S REQUEST) ON SAME DAY. SHORTT SAID THAT HE WAS GIVEN NO CONCRETE REASONS FOR SUDDEN ACTION
ON PART OF SWEDISH FIRM IN CANCELLING ITS ATC
CONTRACT WITH SOVIETS, BUT APPARENTLY SPECULATION IN MINISTRY WAS THAT EXPORT LICENSE PROBLEMS WITH U.S. WERE AN IMPORTANT FACTOR. (EMBASSY HAS PREVIOUSLY REPORTED THAT THERE HAS BEEN SUBSTANTIAL SOVIET CONCERN THAT STANSAAB TECHNOLOGY IS OPEN TO QUESTION.)
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2. BEYOND THIS SHORTT WAS UNABLE TO EXPAND AND EMBASSY HAS NOT HAD OCCASION TO CONFIRM IT WITH SOVIET MINISTRY OR FOREIGN TRADE OFFICIALS. GIVEN EARLIER KEEN INTEREST OF U.S. AIR TRAFFIC
CONTROL SYSTEMS SUPPLIERS IN THIS DEAL, EMBASSY WOULD BE GRATEFUL FOR ANYTHING STOCKHOLM OR USDOC/BEWT CAN ADD TO SUBSTANTIATE (OR TO DENY) SHORTT'S UNCONFIRMED ACCOUNT. IF IT TURNS OUT TO BE

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TRUE, WE WOULD EXPECT U.S. FIRMS (SPERRY-RAND, ITP AND OTHERS)
TO REKINDLE THEIR INTEREST IN BIDDING ON SOVIET ATC PROJECT IN
VERY SHORT ORDER. EMBASSY (USCO) WILL, OF COURSE, DO WHAT IT
CAN TO SUPPORT THEM IF AND WHEN BOTH THEY AND SOVIETS ENTER INTO
ACTIVE DISCUSSIONS AGAIN; BUT IN MEANTIME WE WOULD BE INTERESTED
IN USDOC/BEWT'S VIEWS REGARDING STANSAAB'S BOTTOM-LINE REASONS
FOR REPORTEDLY DECIDING TO BOW OUT OF SOVIET CONTRACT, PARTICULARLY
AS THESE ALLEGEDLY RELATE TO USG "SLOWNESS" IN ISSUING REQUISITE
EXPORT LICENSES TO SWEDISH FIRM FOR U.S. COMPONETRY. SINCE SOVIETS
ARE UNDER NARROWING TIME LIMITS TO COMPLETE INSTALLATION AND
FLIGHT-TEST CALIBRATION OF NEW ATC SYSTEM BEFORE 1980 OLYMPICS,
AND ASSUMING ALLEGED WITHDRAWAL OF STANSAAB OPENS UP
NEW POSSIBILITIES FOR U.S. SUPPLIERS WHICH COULD LEAD TO SUCCESFUL
NEGOTIATIONS FOR ONE OR MORE OF THEM, THEN THE SPEED WITH WHICH
EXPORT LICENSE PROBLEM CAN BE RESOLVED WILL BE AN IMPORTANT ONE.
WE MIGHT ADD PROBABLY UNNECESSARY OBSERVATION, HOWEVER, THAT
IN VIEW EARLIER REPORTS OF SWEDISH SENSITIVITY ON MATTER OF
U.S. EXPORT CONTROLS, ANY UNSEEMLY HASTE IN GRANTING AN
EXPORT LICENSE FOR THIS PROJECT TO SUCCESSFUL U.S. BIDDER (ASSUM-
ING THERE IS ONE) COULD BE VIEWED WITH SOME UNHAPPINESS IN SWEDEN.
NONETHELESS, IN OUR VIEW, BASED ON CONVERSATIONS BOTH WITH SOVIET
OFFICIALS AND INTERESTED WESTERN BUSINESSMENT, BASIC PROBLEM
FOR STANSAAB ALL ALONG SEEMS TO HAVE BEEN ITS LACK OF PROVEN TECH-
NOLOGY.
TOON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, CONTRACTS, AIR TRAFFIC CONTROL
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MOSCOW04446
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770115-0407
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770496/aaaadfiv.tel
Line Count: 87
Litigation Code IDs:
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Litigation History:
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Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STOCKHOLM 658, 77 MOSCOW 996
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2920625
Secure: OPEN
Status: NATIVE
Subject: STANSAAB REPORTEDLY BOWS OUT OF SOVIET ATC CONTRACT
TAGS: BEXP, ESTC, UR, US, STANSAAB
To: STATE STOCKHOLM
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/2b888bab-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009